

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

HOOD INDUSTRIES, INC.

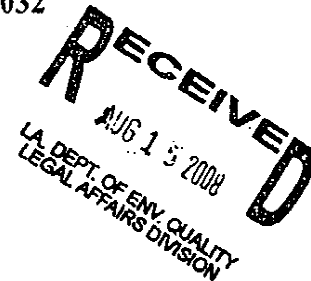
AI # 17306

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

\* Settlement Tracking No.  
\* SA-AE-08-0010  
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\* Enforcement Tracking No.  
\* AE-CN-07-0032  
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SETTLEMENT

The following Settlement is hereby agreed to between Hood Industries, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who owns and/or operates a sawmill facility at 306 Wilkinson Street in Coushatta, Red River Parish, Louisiana ("the Facility").

II

On October 30, 2007, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-07-0032, which was based upon the following findings of fact:

The Respondent owns and/or operates Hood Industries Coushatta Sawmill, a sawmill facility. The facility is located at 306 Wilkinson Street in Coushatta, Red River Parish, Louisiana. The facility currently operates under Title V Permit No. 2420-00009-V2 issued on April 25, 2007. The facility operated under Title V Permit No. 2420-00009-V1 issued on July 13, 2005.

On or about February 7, 2007, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the inspection:

According to the Respondent's Annual Emissions Inventory Statement (EIS) the facility exceeded the permitted limit of carbon monoxide (CO) during the year of 2005. The facility's permit limit for CO is 346.7 tons per year (tpy). Based on the EIS, the facility emitted 542 tpy of CO. On or about March 22, 2007, the Respondent submitted a letter to the Department in response to a warning letter that was issued on March 5, 2007. The Respondent stated that the facility's Title V Permit was revised in 2005. This revision required a one-time test of the facility's new combined boiler stack. On February 16, 2006, a compliance test was performed at the Respondent's facility. The following table shows the results averaged together for the three one-hour runs of the stack test:

Boilers 1 (EQT 1) and (EQT 2) Combined Stack	Limits	Test Results
PM <sub>10</sub>	44.1 lb/hr avg & 67.0 lb/hr max	64.9 lb/hr*
PM	0.6 lb/ MMBtu	0.594 lb/MMBtu
NO <sub>x</sub>	11.6 lb/hr avg & 17.6 lb/hr max	17.8 lb/hr
CO	79.1 lb/hr avg & 120.3 lb/hr max	226.4 lb/hr
Load	124 MMBtu/hr	121 MMBtu/hr (98% load)

\*PM=72.1 lb/hr.  $(72.1)(0.90)=64.9$  assuming PM<sub>10</sub> is 90% of PM.

The boilers were above the maximum lb/hr limit for nitrogen oxides (NO<sub>x</sub>) and CO. Each permit limit exceedance is a violation of LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 2057 (A)(2).

### III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

## IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

## V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$1,500.00), of which Ninety-five and No/100 Dollars (\$95.00) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

## VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

## VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any

right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

### VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

### IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Red River Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

### X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

## XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

## XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

HOOD INDUSTRIES, INC.

Donald B. Grimm BY: Donald B. Grimm  
(Signature)  
DONALD B. GRIMM DONALD B. GRIMM  
(Print)  
PRESIDENT TITLE: PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 26th day of  
May, 20 08, at Hoffenberg.

Cynthia Bantwell  
NOTARY PUBLIC (ID # \_\_\_\_\_)

Cynthia Bantwell  
(Print)

LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY

Harold Leggett, Ph.D., Secretary

BY: Peggy M. Hatch  
Peggy M. Hatch, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20th day of  
October, 20 08, at Baton Rouge, Louisiana.

Til B. Boyle, II  
NOTARY PUBLIC (ID # 40539)

Til B. Boyle, II  
(Print)

Approved: Peggy M. Hatch  
Peggy M. Hatch, Assistant Secretary